

## Affidavit

United States of America  
Eastern District of Michigan ss.

1 I, CAROL NATHAN, state that:

2 I reside at [REDACTED] I am employed as a tax preparer at  
3 American Tax Solutions, Inc. (ATSI). During my employment at ATSI, I was assigned to  
4 prepare tax returns for James Pieron, Jr. (Pieron). I prepared Pieron's 2007, 2008, 2009, and  
5 2010 Form 1040 U.S. Individual Income Tax Returns. Based on my communications with  
6 Pieron, he seemed to understand basic tax accounting such as income, expenses, and capital  
7 gains and losses. PIERON emailed me the financial information that I used to prepare his tax  
8 returns. This information included spreadsheets prepared by Pieron. The first spreadsheet  
9 Pieron gave me showed he had a large capital gain in 2007 and expenses for 2007, 2008, and  
10 2009. Pieron told me he wanted to offset the 2007 capital gain with losses he had in 2008 and  
11 2009. I told Pieron he couldn't carry back capital losses to 2007 because only business losses  
12 could be carried back. I told Pieron certain things on his spreadsheet couldn't be taken as  
13 expenses such as his loans and expenses for Komplique. I told Pieron Komplique expenses  
14 couldn't be used against capital gains from JDFX stock. I asked Pieron for promissory notes  
15 he wrote to himself for his loans to JDFX. Pieron did not provide any promissory notes to me.  
16 I did not understand what Pieron's income was based on the initial spreadsheet he gave me,  
17 and could not prepare his tax returns based on the information. Pieron told me he would re-  
18 summarize his income and expenses so I could prepare his returns. Pieron then emailed me a  
19 new spreadsheet and a 2007 mock tax return which I used to prepare his tax returns. The new  
20 spreadsheet showed Pieron sold JDFX stock on 02/04/2008 for \$9,346,617 and on 10/13/2009  
21 for \$4,450,460. The numbers I entered on Pieron's 2008 and 2009 Schedule D came directly

Affiant's Signature/Initial

Carol Nathan CN.

**Affidavit (continued)**

22 from the second spreadsheet Pieron gave me. PIERON did not declare any capital gain  
23 income in 2007 on the second spreadsheet. <sup>We did not discuss whether C.N.</sup> Pieron did not tell me he had foreign financial  
24 accounts or that he needed to file Foreign Bank Account Reports (FBAR). After I completed  
25 Pieron's tax returns, <sup>For 2007, 2008 and 2009, C.N.</sup> I signed and mailed the originals to him along with payment vouchers for  
26 each year for the tax he owed. It was Pieron's responsibility to sign, date, and mail the returns  
27 to the IRS. Pieron never told me he incurred a theft loss in 2009 resulting from a Ponzi  
28 scheme. Pieron did not tell me he was forced to liquidate JDFX and Komplique because of a  
29 Ponzi scheme. Pieron told me ~~he had losses on his loans to JDFX because~~ <sup>C.N.</sup> 2008 and 2009  
30 were bad years financially. Pieron told me ~~he moved back to Michigan because~~ <sup>C.N.</sup> he wanted to  
31 start new businesses.

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I have read the foregoing statement consisting of 2 page(s), each of which I have signed. I made the corrections shown and placed my initials opposite each.

I declare under penalty of perjury that the foregoing affidavit is true and correct to the best of my knowledge, information, and belief.

Executed on: 8-20-13

Carol Nathan  
(Signature)

Affiant's Signature/Initial

Carol Nathan / C.N.